

# RAFFLES

This chapter contains information on raffle conduct, inventory, and records.



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## Raffles

### **Raffle definition**

A raffle is a game in which a participant buys a ticket or other certificate of participation in an event where the prize determination is based on a method of random selection and all entries have an equal chance of selection.

The raffle ticket must include the location, date, and time of the selection of the winning entries.

### **Is it gambling?**

There are three primary factors used in determining whether your activity is gambling and must conform to the raffle requirements.

#### **1. Consideration (payment) required.**

Allowed: The only legal form of consideration (payment) for a chance to participate in a raffle is payment by cash, check, or debit card. The organization must reimburse the gambling account for dishonored payments.

Not allowed:

- Credit cards.
- Charging an entrance fee to get to where tickets are being distributed.
- Requiring a donation or implying a "suggested donation."
- Requiring the purchase of a good or service in order to enter the drawing.

#### **2. Chance involved in random selection of the winner.**

#### **3. Prize (something of value) awarded.**

#### **Chance drawings**

State law allows chance drawings that do not require consideration if:

- the participant is not required to purchase a ticket for a drawing in order to win a prize; and
- the participant must be allowed to enter the drawing without any consideration for a chance to win a prize.

A chance drawing **may not:**

- imply that a participant must pay a donation for the chance to win a prize (for example, "Suggested Donation \$5"); or
- coerce a participant to pay a donation for the chance to win a prize.

### **Frequently asked questions**

#### **Q. May our organization give a free meal to everyone who buys one of our \$50 raffle tickets?**

A. No. Raffle tickets may not entitle the buyer to anything but the raffle, with the following exceptions:

1. Fishing/hunting contests may be held in combination with a raffle, but the amount for the contest and the raffle must be separately stated on the ticket. The fishing/hunting contest prizes and expenses may not be paid for with gambling money.
2. For a button raffle, buttons may be given out if the organization's cost is less than \$5 and the buttons are used as certificates of participation in a raffle.
3. Annual membership raffle. (See "Specialized raffles" section for more information.)

#### **Q. We are sponsoring a golf tournament. Participants are awarded prizes based on their scores. The lowest three scores win a prize. Is this activity considered gambling?**

A. No. As long as the outcome is based exclusively on skill, then the activity is not gambling.

## Who May Participate in Lawful Gambling

	Paper and Electronic Pull-Tabs, Linked Bingo, Tipboards, Paddlewheels	Non-Linked Bingo	Raffles
Gambling manager at organization's permitted premises:	No.	No.	No.
Organization and lessor employees and volunteers <sup>1</sup> involved with the conduct of pull-tabs, linked bingo, tipboards, or paddlewheels:	Only if they are not involved with the conduct <sup>2</sup> of these games at the premises where they work. This restriction is in effect until two weeks after the employee or volunteer is no longer involved in the conduct of pull-tabs, linked bingo, tipboards, or paddlewheels at that premises.	Only if they are not involved with the conduct <sup>2</sup> of any lawful gambling during the bingo occasion.	Yes.
Organization and lessor employees and volunteers involved exclusively with the conduct of non-linked bingo:	Yes, except while involved with the conduct of non-linked bingo.	Yes, except while involved with the conduct of non-linked bingo.	Yes.
Lessor:	Not at the lessor's premises.	Not at the lessor's premises.	Not at the lessor's premises.
Lessor's immediate family <sup>3</sup> :	Not at the lessor's premises.	Only if they are not involved with the conduct <sup>2</sup> of any lawful gambling during the bingo occasion.	Yes.
Age restrictions:	Must be at least 18 years of age to play pull-tabs (paper and electronic), linked bingo, tipboards, and paddlewheels.	Must be at least 18 years of age, except that a person under 18 may play bingo if conducted by an exempt or excluded organization, or by an organization as part of an annual community event if accompanied by a parent or guardian.	Must be at least 18 years of age to buy a raffle ticket or win a raffle prize.
	Must be 18 or older to conduct <sup>2</sup> these games.	Must be 18 or older to conduct <sup>2</sup> bingo.	Under age 18 may sell raffle tickets.

<sup>1</sup> A volunteer involved in the conduct of tipboards that have no more than 32 chances per game or paddlewheel games conducted without a paddlewheel table may play pull-tabs, linked bingo, tipboards, and paddlewheels on the next business day.

<sup>2</sup> "Conduct" includes the following activities:

- Selling or redeeming tickets, bingo hard cards, bingo paper, or electronic bingo faces.
- Providing electronic pull-tab or linked bingo devices or redeeming credits on these devices.
- Auditing games or making deposits.
- Spinning the paddlewheel.
- Conducting inventory.
- Completing bingo occasion records.
- Selecting or announcing bingo numbers.

<sup>3</sup> Spouse, child, parent, brother, sister.

<b>Raffle Prizes</b>	
<p><b>Prize limits:</b> For all raffles conducted by a <b>licensed</b> organization:</p> <ul style="list-style-type: none"> <li>the value of each raffle prize may not exceed \$50,000;</li> <li>there is no limit on the total value of prizes awarded for each raffle; and</li> <li>there is no limit for the total value of all prizes awarded in a calendar year.</li> </ul>	
<b>Types of prizes allowed</b>	<b>Types of prizes not allowed</b>
<p>Prizes for a raffle may consist of:</p> <ol style="list-style-type: none"> <li>1. cash,</li> <li>2. gift cards or gift certificates; or</li> <li>3. merchandise, which includes certificates for merchandise, certificates for services, and real property.</li> </ol> <p>If prizes require registration or licensure by a government agency as a condition of ownership, a certificate of merchandise must be used.</p>	<p>Prizes may not consist of lawful gambling equipment, i.e. paper pull-tabs, tipboard tickets, paddlewheel tickets, bingo paper, other raffle tickets, etc.</p>
<b>Merchandise prizes</b>	
<b>Donated prize</b>	Prizes may be donated.
<b>Lessor restrictions</b>	<p>For a leased premises:</p> <ol style="list-style-type: none"> <li>1. the lessor may donate prizes, and</li> <li>2. the organization may purchase a certificate for merchandise or gift to be redeemed for food or beverages at the premises if: <ol style="list-style-type: none"> <li>a. the certificate or card value has a redeemable monetary cash value;</li> <li>b. the certificate or card does not contain restrictions on its redemption, such as requiring a purchase of food or beverage of equal or greater value or redeemable for a specific item;</li> <li>c. the certificate or card may be redeemed at any time during the regular business hours of the permitted premises; and</li> <li>d. the cost to the organization is 50% or less of the redeemable cash value of the certificate or card.</li> </ol> </li> </ol>
<b>Compliance with prize limit</b>	To determine compliance with the prize limit for each prize, merchandise prizes donated to an organization or purchased at a discount must be valued at their fair market value. The fair market value of a merchandise prize must not be an amount less than the purchase price.
<b>Report on LG100A</b>	<p>For purposes of reporting on the monthly LG100A:</p> <ul style="list-style-type: none"> <li>donated prizes have no value (not reported), and</li> <li>report merchandise prizes at the actual cost plus shipping and sales tax.</li> </ul>
<b>Certificate for merchandise or services—required information</b>	
<p>A certificate for merchandise or services awarded as a prize must include:</p> <ul style="list-style-type: none"> <li>a complete description, including the value, of the merchandise or services;</li> <li>the vendor's name from whom the certificate must be redeemed; and</li> <li>a statement expressly prohibiting the substitution of cash or another type of merchandise or services described on the certificate.</li> </ul>	
<b>Ownership of prizes required</b>	
<p>For raffles with gross receipts over \$60, an organization must pay in full for all raffle prizes or otherwise become the owner without lien or interest of others, prior to the raffle drawing.</p> <p>For raffles with gross receipts of \$60 or less, such as a meat raffle, an organization may pay for the prizes (meat) up to 30 days after the organization obtains the prizes (meat).</p>	

## Raffle Prizes (continued)

### Restrictions on awarding alcohol as a raffle prize

An organization may award wine, beer, or intoxicating liquors as a raffle prize if:

- funds from the raffle are dedicated to the charitable purposes of the organization;
- the number of raffles or silent auctions at which alcohol is awarded is limited to not more than six occasions per year; and
- the alcohol may only be raffled to persons who demonstrate that they are 21 years of age or older and do not show signs of obvious intoxication.

The law that allows alcohol prizes at raffles does not authorize on premises consumption of alcohol. (Minnesota Statutes, Section 340A.707)

#### Limit of six total

#### **Q. May we conduct six silent auctions and six raffles per year in which we award liquor as prizes?**

- A. No. An organization may only do a combined total of six. For example, in a calendar year an organization could conduct three silent auctions and three raffles in which liquor is awarded as prizes.

#### Liquor license

#### **Q. Do we need a liquor license to award liquor as prizes for the raffles allowed by this law?**

- A. No, but you need to check with the city or county for local ordinances that might prohibit awarding liquor as prizes.

#### **Q. Our organization owns its premises and has an on-sale liquor license. Are we still allowed to sell alcohol at the fundraising event where we have a raffle and award liquor as a prize?**

- A. Yes, because the organization has the proper on-sale liquor license. The law only prohibits the consumption of alcohol at a premises that does not have an on-sale liquor license.

#### Questions?

For questions regarding the use of alcohol as prizes contact the Department of Public Safety's Alcohol and Gambling Enforcement Division at 651-201-7507.

## Raffle Ticket Requirements

**Stub** - Detachable stub with a space for the purchaser's name, address, and phone number.

①

Name

Address

City

State/Zip

Phone #

0001

②

Each ticket and detachable stub must have the same sequential number, beginning with number "1".

③

**Prizes** - At a minimum the three most expensive prizes to be awarded.  
If additional prizes will be awarded that are not listed, the raffle ticket must state:  
"A complete list of additional prizes is available upon request."

See *Raffle Checklist* in this chapter for additional prize requirements.

### May Day Raffle

1. **ATV**
2. **\$1,000 cash**
3. **21 speed bike**
4. **\$500 cash**
5. **50 piece tool set**

May 1, 2016 - 1:00 PM

Oxbow Lions Club, 2015 Oxbow Ave  
Oxbow, Minnesota  
License 99999-003

④

Time, date, and location where winners will be selected or determined.

⑤

Organization name and license number.

Need not be present to win.  
Must be 18 or older to purchase ticket or win prize.  
Winner responsible for any applicable fees or taxes.

⑥

A statement regarding the winner's responsibility for any applicable fees and taxes.

**\$1.00**

0001

⑦

### Price of raffle ticket

- All tickets must be sold for the same price and may not be discounted. For example, a \$1 ticket may not be discounted as 6 for \$5.
- The tickets may not contain the words "suggested donation" or any other implied request for money or contributions (other than the ticket price).

**As an incentive for more sales, your organization may offer multiple pricing levels** - Separate sets of tickets may be sold with a different price. In each price set, all tickets must be the same size, shape, and thickness.

②

Each ticket and detachable stub must have the same sequential number, beginning with number "1".

## Raffle Ticket Requirements (continued)

### Sample ticket listing all prizes

Name	<b>ANNUAL RAFFLE      \$1.00</b>  <b>1st Prize - 37" HD TV</b> <b>2nd prize - iPod®</b> <b>3rd Prize - \$100</b> Winner is responsible for any applicable fees or taxes.  <b>Drawing at ABC Lodge</b> <b>2015 Oxbow Avenue</b> <b>Oxbow, MN</b> <b>June 1, 2016      1:00 p.m.</b> Need not be present to win Must be 18 to purchase ticket or win prize  <b>Sponsored by Oxbow Lions</b> <b>License number 99999-001</b>
Address	
City	
State	
Zip Code	
Phone Number	
0001	

### Sample ticket listing the top 3 prizes

Name	<b>Summer Fest Raffle    \$25.00</b>  <b>100 raffle prizes</b> <b>1st Prize - Hybrid Car</b> <b>2nd Prize - All-terrain vehicle</b> <b>3rd Prize - XYZ Computer and printer</b> A complete list of additional prizes is available upon request. Winner is responsible for any applicable fees or taxes.  <b>Drawing at ABC Lodge    June 1, 2016    1 p.m.</b> <b>2015 Oxbow Avenue    Oxbow, MN</b> Need not be present to win Must be 18 to purchase ticket or win prize  <b>Sponsored by Oxbow Lions</b> <b>License number 99999-001</b>
Address	
City	
State	
Zip Code	
Phone Number	
0001	

## Raffle Ticket Requirements (continued)

### Vendor must print raffle tickets

Raffle tickets must be obtained from a vendor, along with an invoice that shows the quantity of tickets printed, the sequential numbers used, and the price printed on the tickets.

**Q. A member of our club can print raffle tickets on her home computer. May we purchase our raffle tickets from her?**

**A.** Yes. A vendor may be an individual operating out of his or her home or office, or a vendor may be a traditional printing business. Be sure that the organization receives an invoice—even if the tickets are provided free of charge—that shows the quantity of tickets purchased, the range of the sequential numbers used, and the selling price printed on the ticket.

### Certificates of participation

Certificates of participation may be used in lieu of a traditional raffle ticket when the selection method does not use a raffle ticket stub.

Use the following guidelines when using certificates of participation in your raffle:

- All entries have an equal chance of selection.
- The certificate of participation must include the location, date, and time of the selection of the winning entries.
- The method of selection cannot be manipulated or based on the outcome of an event not controlled by the organization.
- One certificate could include multiple entries in the raffle.

A common example is the duck race. Plastic ducks are numbered and the certificates of participation have corresponding numbers on them. Typically, the ducks are dropped in a river and the first duck to reach a destination downstream is the winner. Other numbered items could be used with certificates of participation—like ping pong balls, etc., but all entries must be of equal shape, size, and weight.

- All other raffle requirements must be followed.

To ensure the method of selection meets all raffle requirements, contact the Gambling Control Board at 651-539-1900.

### Advertising on raffle tickets

If an organization sells advertising on a raffle ticket, the money must be deposited into the gambling account and reported as other income on the LG100A.



<b>Conducting a Raffle</b>	
<b>House rules for raffle required</b>	
	<p>House rules must be posted where raffle winners are selected and must include:</p> <ol style="list-style-type: none"> <li>1. the organization's name, license, and permit number;</li> <li>2. the problem gambling helpline number (1-800-333-HOPE);</li> <li>3. the method and policy of selecting or determining winners;</li> <li>4. a statement that the winner need not be present;</li> <li>5. the policy on accepting checks and debit cards;</li> <li>6. a statement that the purchase of only one ticket is required to enter the raffle;</li> <li>7. an explanation of multiple pricing levels, if any;</li> <li>8. A statement that persons under 18 may not purchase a raffle ticket or win a prize; and</li> <li>9. if wine, beer, or intoxicating liquors are awarded, that the winner must be age 21 or older to win, as required by Minnesota Statutes, Section 340A.707.</li> </ol>
<b>Required raffle forms</b>	
	<p>Use the LG820 Raffle Inventory and Sales Log to track all raffle tickets. An organization is required to account for all tickets printed for a raffle. The value of unaccounted for tickets must be included in the raffle gross receipts reported on the LG100A, Lawful Gambling Receipts and Expenses by Site.</p>
<b>Selling the tickets or certificates of participation</b>	
<b>No sales on internet</b>	<p>REMINDER: Lawful gambling may not be conducted on the internet, including the sale of raffle tickets. However, you may advertise your raffle on the internet.</p>
<b>May not be free of charge</b>	<p>A ticket must be sold for the price printed on the ticket and may not be provided free of charge or for any other consideration, such as a donation of a food item.</p>
<b>Cash, check, or debit card only</b>	<ul style="list-style-type: none"> <li>• Cash, checks, or debit cards may be accepted for the sale of raffle tickets. Raffles are the only form of lawful gambling where personal checks and debit cards may be accepted. Traveler's checks, cashier's checks, and money orders are also acceptable.</li> <li>• Credit cards may not be accepted. Credit may not be extended to a player.</li> </ul>
<b>Bounced payments</b>	<p>For "bounced" payments, try to contact the individual for proper payment. Otherwise, an organization must reimburse the gambling account from a source of nongambling funds for any dishonored payments. The ticket stub or the item used in the selection method from the raffle may not be pulled. However, an organization may include in the house rules that raffle prizes will not be awarded until a check or debit card payment clears the bank.</p>
<b>Sellers must return stubs and unsold tickets</b>	
	<p>Before the drawing, each person who sells tickets must return:</p> <ul style="list-style-type: none"> <li>• all unsold tickets or certificates;</li> <li>• when raffle tickets are used, the stubs for all tickets sold; and</li> <li>• all money for tickets sold.</li> </ul> <p>Organizations must account for all unsold raffle tickets. Any missing raffle tickets are considered sold and must be included in gross receipts.</p>

<b>Conducting a Raffle</b> (continued)
<b>No sales after first winner determined; no early birds</b>
<p>No tickets may be sold after the first winner is determined.</p> <p>No “early bird” raffles are allowed where a specific prize(s) is awarded to ticket holders that purchased their tickets by a certain date.</p>
<b>Purchase one ticket for entry into raffle; equal chance to win</b>
<p>A person is not required to:</p> <ul style="list-style-type: none"> <li>• purchase more than one ticket; or</li> <li>• pay for anything other than the ticket. Exception—refer to the button raffle, fishing/hunting contest, and membership raffle sections in this chapter.</li> </ul> <p>Each entry in the raffle must constitute an equal chance to win.</p>
<b>Age restrictions</b>
<ul style="list-style-type: none"> <li>• Persons under 18 may sell raffle tickets.</li> <li>• Persons under 18 may not purchase raffle tickets or win a raffle prize.</li> <li>• If wine, beer, or intoxicating liquors are awarded, the winner must be age 21 or older to win, as required by Minnesota Statutes, Section 340A.707.</li> </ul>
<b>For raffle drawings, use of receptacle required</b>
<p>When using raffle tickets:</p> <ul style="list-style-type: none"> <li>• Before drawing, place the stub or detachable section of each ticket sold into a receptacle (container) from which the winning tickets are drawn. The receptacle can be purchased from any source.</li> <li>• The receptacle must be designed so each winning ticket placed in it has an equal chance to be drawn.</li> </ul>
<b>Winners determined on raffle date</b>
<p>All raffle winners must be determined at the time, date, and location indicated on the raffle ticket (unless a different date is approved by the director of the Gambling Control Board).</p> <p>The raffle drawing must be held at a permitted premises. See also <i>Off-Site Application</i> section in the <i>Organization License</i> chapter.</p> <p>Prizes listed on the raffle ticket or the list of prizes made available to players when tickets were sold do not have to be displayed at the time raffle winners are selected.</p> <p>Any prizes donated to the organization after the tickets or prize list has been printed must be displayed at the raffle drawing.</p> <p><b>Attendance not required.</b> A person does not need to be present at a raffle to be eligible to win a prize.</p> <p>The organization is responsible for ensuring that a winner receives their prize.</p>

## Conducting a Raffle (continued)

### Deposit information; reporting on LG100A

Deposit and record the net receipts, or secure them until they can be deposited. Deposit the gambling receipts into the gambling account within **four business days** of the date of the raffle.

On the deposit slip, list the following information:

1. premises permit number; (for off-site permits use site #999)
2. date of the deposit;
3. date of the raffle;
4. deposit amount from the sale of raffle tickets or certificates; and
5. deposit amount for any income received from advertising in conjunction with the raffle.

#### Two kinds of deposits

1. If raffle gross receipts are deposited in a month prior to the month of the raffle date, those deposits are reported as "Receipts deposited from games in play that are not included on an LG100A" on the LG100F, line 14.

The raffle's gross receipts, prizes, and net receipts are reported on the LG100A for the month in which the drawing was held.

First National Bank Deposit Slip	
<b>Date</b>	10/04/15
99999-001	
Fall raffle 10/3/15	\$350
(cash prizes \$200)	
ABC Grocery Store - ad	\$50
<b>TOTAL</b>	\$400

2. If an organization sells all of the tickets or certificates and awards the prizes at one time (in a single day), any "money" prizes may be awarded in the form of cash which means the bank deposit will be less than the gross receipts (sales).
  - If all raffle prizes were cash, then the deposit should equal the net receipts.
  - If a combination of cash and merchandise prizes were awarded, then the deposit will be the total gross receipts less cash prizes paid.

Make a notation on the deposit slip for the amount awarded as cash prizes.

### Fund loss

#### Fund loss

If a fund loss is discovered:

1. Notify local law enforcement within five days of discovering the loss (within 24 hours if the game was played in a dispensing device), and notify the Gambling Control Board. Fund losses not reported will not be considered by the Board.
2. Within 60 days, provide the Gambling Control Board with documentation of reimbursement or a request for a profit carryover adjustment. This documentation must be provided to the Board within 60 days or the fund loss will not be considered by the Board.

Refer to the *Internal Operations and Oversight* chapter, Fund Loss section.

If tickets or certificates are lost due to a disaster such as fire, flood, blizzard, tornado, or other catastrophic event, immediately contact the Department of Revenue at 651-297-1772 for instructions on how to handle the fund loss.

## Cancelling a Raffle

### Approval required

To cancel a raffle, an organization must request approval in writing prior to the drawing date from the Board's director at:

Gambling Control Board  
Suite 300 South  
1711 West County Road B  
Roseville, MN 55113

The request must include the reason the raffle is cancelled.

After receiving approval to cancel a raffle, all money must be returned to persons who purchased a raffle ticket. If a person cannot be located within 30 days after reasonable attempts via mail and telephone, the receipts are deposited and reported on the LG100A as raffle gross receipts.

Documentation must be kept with raffle records showing the attempts made to reach all persons who purchased a raffle ticket, as a person is entitled to claim a refund for up to one year from the date of the canceled raffle.

## Changing a Raffle Date

### Approval required

To change a raffle drawing date, an organization must request approval in writing from the Director of the Gambling Control Board. For a licensed organization, the request must be signed by the organization's chief executive officer (CEO) or gambling manager. (For an exempt organization, the request must be signed by the CEO and the local unit of government.)

The Director will approve a drawing date change if:

1. weather caused postponement of the event on the day the drawing was to be held;
2. not enough tickets or certificates were sold to cover the cost of the prizes; or
3. there were other circumstances beyond an organization's control.

The Board's director will not approve a drawing date change because the desired level of profit was not obtained.

To obtain approval, send a letter stating the reasons why the raffle date needs to be changed. Send the letter to:

Gambling Control Board  
Suite 300 South  
1711 West County Road B  
Roseville, MN 55113

If a raffle date change is approved, an organization must publicize that fact to purchasers and document the approved date change in the monthly meeting minutes.

## Calendar Raffle

S	M	T	W	T	F	S
1 \$250	2	3	4	5	6	7
8 \$200	9	10	11	12	13	14
15 \$150	16	17	18	19	20	21
22 \$100	23	24	25	26	27	28
29 \$50	30	31	ABC Lodge License 99999			<b>489</b>
Name _____ Phone _____						
Address _____						<b>489</b>

An organization may conduct a calendar raffle in which the raffle ticket is a calendar containing a detachable stub.

*Licensed* organizations may conduct drawings for winners on more than one date.

All other requirements pertaining to raffles, such as raffle ticket requirements and recordkeeping, also apply.

Contact a Compliance Specialist at the Gambling Control Board for information on how to report calendar raffles on the LG100A and LG100F.

## Raffle with Gross Receipts of \$60 or Less

An organization may conduct a raffle where:

1. all raffle tickets are sold only during the raffle activity;
2. the players are present for the drawing; and
3. the organization does not require the player to complete the raffle ticket stub information.

If this type of raffle is conducted, be sure that the raffle house rules address whether or not the ticket stub information must be completed.

- Raffle winners will be determined by selecting ticket stubs from a container.
- When a raffle ticket stub is drawn that contains no winner information, the organization must announce the ticket number. The player must present the matching numbered raffle ticket before the prize is awarded.
- If a player must leave before the drawing, the player must give the ticket stub with contact information to another player or to the person conducting the drawing. This will ensure that the player can be contacted if their ticket number is drawn.

If the gross receipts from the raffle will be \$60 or less, an organization has up to 30 days after the raffle to pay for the merchandise prizes.

## Combination Raffles

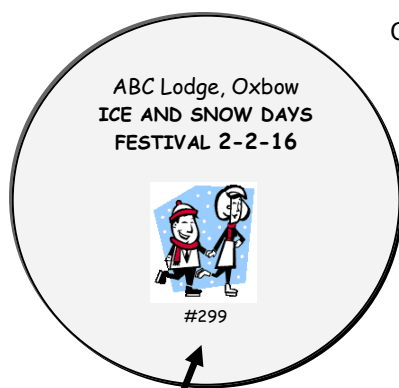
Combining a raffle with the purchase of another item on the same ticket is not allowed with the exception of a button raffle, a membership event raffle, or a raffle conducted in conjunction with a fishing or hunting contest.

### Combination Raffle—Button Raffle

A button raffle may be conducted using the format outlined below for the certificate of participation. All statutes and rules pertaining to raffles apply to a button raffle.


The organization must account for all sold and unsold buttons. Unsold buttons may be discarded BUT an organization must keep all corresponding tickets from the unsold buttons.

Questions? Contact a Compliance Specialist.



1. Button w/ #
2. Detachable Stub
3. Ticket

#### (Numbered) Button used as certificate of participation

<b>Phone</b> _____ _____ _____ #299	<b>Address</b> _____ _____ _____ _____	<b>Name</b> _____ _____ _____ _____	Oxbow Lions License 99999 Ice & Snow Days Festival Raffle drawing 3 p.m. February 2, 2016 Oxbow City Park  1 <sup>st</sup> prize \$1,000 2 <sup>nd</sup> prize \$500 3 <sup>rd</sup> prize \$250 Winner responsible for applicable fees or taxes   #299
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### Combination Raffle—Membership Event

Organizations are allowed to conduct one raffle each calendar year in conjunction with an organization membership event.

For example, "Jaycees Annual Membership Dinner".

- The ticket price is \$50.
- One ticket may include both raffle and dinner.
- Show the amount allocated to the dinner and to the raffle on the ticket.
  - ⇒ "Dinner value \$40"
  - ⇒ "Raffle value \$10"
- The organization may, but is not required, to sell dinner and raffle tickets separately.

The organization must allocate the portion of the ticket price that is raffle-related and report that portion as gambling income.

## Combination Raffle—Fishing/Hunting Contest

A licensed organization may conduct a raffle in conjunction with a fishing or hunting contest. Contact the Department of Natural Resources regarding fishing or hunting permit requirements.

- A combined ticket may be sold for a single price for the fishing or hunting contest and raffle. The combined ticket must state the price that applies to the fishing or hunting contest and the price that applies to the raffle.

A person purchasing a ticket must pay the combined ticket price and must be at least age 18.

- The receipts from the raffle portion are considered gambling funds, while the portion for the wild game or fishing contest are not. Only the raffle proceeds are deposited into the gambling account.
- If a raffle will be held at a location other than a permitted premises, be sure to get an off-site permit from the Gambling Control Board. See Chapter 3 for information or contact a Licensing Specialist.

Gambling funds may not be used to pay for the fishing or hunting contest prizes.

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Telephone Number \_\_\_\_\_ 0001

### FISHING CONTEST & RAFFLE

(Ticket value: Raffle \$10 Fishing Contest \$15)

**Tournament**  
**Noon to 3 p.m.**  
**at Little Oxbow Lake**  
**Oxbow, MN**



RAFFLE GRAND PRIZE: **\$10,000**

2nd prize: **\$2,000**

3rd prize: **100 piece toolset and chest**

4th - 25th prizes: **Tackle box and gear**

*Must be 18 or older to purchase ticket or win prize.*

*Winner is responsible for any applicable fees or taxes.*

Raffle drawing at ABC Lodge, 2015 Oxbow Ave, Oxbow, MN

July 15, 2015 8:00 p.m.

Need not be present to win

Sponsored by Oxbow Lions

License number 99999-001

\$25

0001

**Present this stub at fishing area**  
**for entry into fishing contest.**  
**Tournament starts at Noon.**

(Fishing derby prizes listed on back side of ticket)

## Continuation Raffle

A "continuation raffle" allows an organization to conduct raffles where the winner(s) advance to another raffle drawing until the final winners are determined.

- Ticket sales must stop after the initial drawing.
- There is no additional cost for players beyond initial ticket cost.
- The raffle must be concluded within 12 months.

For example, raffle drawings are held on four consecutive Sunday nights:

- On July 12, the organization conducts the first round drawing. Thirty \$20 winners are drawn who also then advance to next round.
- On July 19, a 2nd round drawing is held with ten \$50 winners who then also advance to the next round.
- On July 26, a 3rd round is held with three \$100 winners advancing to the final round.
- On August 2, a final round is held at the community festival, with prizes of \$100, \$500, and \$1,000.

Continuation raffle reporting:

- Report gross receipts and all prizes to be awarded for the raffle (\$3,000) in the month of the initial drawing (July).
- Report all gross receipts and prizes on the LG100A for the site where the initial drawing was held.
- The value of prizes reported, but not yet awarded by the end of July (\$1,600) are entered on the July Lawful Gambling Fund Reconciliation form.
- In August, when the final round prizes are awarded, the \$1,600 reconciling item is removed.

<b>Alternative Raffles</b>	
<b>Approved</b>	<b>Denied</b>
<ul style="list-style-type: none"> <li>• Bucket raffle</li> <li>• Cow-a-bunga</li> <li>• Duck pond</li> <li>• Duck (rubber) race</li> <li>• Elimination raffle</li> <li>• Flower raffle</li> <li>• Golf ball drop</li> <li>• Heads or tails</li> <li>• Last but not least raffle</li> <li>• Ping pong ball raffle</li> <li>• Prop, drop, and win raffle</li> <li>• U Pick Raffle</li> <li>• Wine pull raffle</li> </ul>	<ul style="list-style-type: none"> <li>• Puzzle piece</li> <li>• Mouse hole</li> <li>• Chicken bingo raffle</li> <li>• Car through ice</li> <li>• Diamond melt raffle</li> </ul>
<b>Board approval required for alternative raffles</b>	
<p>If an organization uses an alternative method of selecting winners other than as outlined under raffle conduct in this chapter or listed on <a href="http://www.mn.gov/gcb">www.mn.gov/gcb</a> under Raffles, an organization must obtain prior approval of the Gambling Control Board.</p> <p>Board staff will evaluate proposed method and provide a recommendation to the Board.</p> <p>Questions? Contact the Gambling Control Board at 651-539-1900.</p>	
<b>Approval valid for all organizations; posted at <a href="http://www.mn.gov/gcb">www.mn.gov/gcb</a></b>	
<p>If the Board approves an alternative method for conducting a raffle, the alternative method may be used for future raffles by all organizations (licensed and exempt) without additional Gambling Control Board approval. The Board's approval or denial will be posted at <a href="http://www.mn.gov/gcb">www.mn.gov/gcb</a>.</p> <p>Check our website or contact a Compliance Specialist at the Gambling Control Board for information on alternative raffles.</p>	
<b>Raffle boards</b>	
<p>A raffle board is defined in statute as a placard with up to 200 squares whereby participants in the raffle write their names to indicate entry.</p> <p>To date, no raffle boards have been approved for sale in Minnesota.</p>	



## Raffle Records and Reports

### Required forms to use

Complete and keep the following required forms when conducting a raffle:

#### **LG820 Raffle Inventory and Sales Log**

The LG820 Raffle Inventory and Sales Log is used to help with recordkeeping and is completed for each raffle or set of raffle tickets to record:

- inventory; and
- sales to be reported on the LG100A.

The LG820 shows which tickets or certificates of participation have been given to sellers, the amount of cash received from their sales, which tickets or certificates are unsold, and where possible cash discrepancies, if any, have occurred.

#### **LG821 Physical Inventory/Raffles**

The LG821 Physical Inventory/Raffles is used to record the actual game cost of all raffle tickets or certificates of participation in inventory or in play but not yet completed.

Once the raffle is conducted, the cost of the raffle tickets or certificates is no longer included in inventory.

- A new LG821 form is completed each month when an organization has raffle tickets or certificates of participation on hand.
- This information is required for all raffles.

#### **LG830 Merchandise Prize Perpetual Inventory**

Complete the LG830 to record the purchase and distribution of merchandise prizes and certificates for merchandise.

### Monthly reporting

Each month, an organization must report to the Gambling Control Board raffle gross receipts, prizes, net receipts, and cash variances. Organizations must submit this information in an electronic file which includes the LG100A Lawful Gambling Receipts and Expenses by Site.

Forms and instructions are available at [www.mn.gov/gcb](http://www.mn.gov/gcb) (under GCB Monthly Reports) or from the Gambling Control Board.

In addition, each month, an organization must submit a G1 Lawful Gambling Monthly Tax Return to the Department of Revenue, reporting raffle gross receipts, prizes, and net receipts.

Forms and instructions are available from the Department of Revenue.

## **Raffle Records and Reports** (continued)

### **Keep your unsold tickets and all raffle records**

An organization must keep the following raffle records in a secured area not susceptible to flooding for 3-1/2 years:

1. Invoice for raffle tickets showing the quantity of tickets printed for each price level, their sequential numbers, and selling price.
2. Total amount of gross receipts.
3. Total value of all prizes awarded in each raffle, including documentation of how the fair market value of merchandise prizes was determined.
4. Copy of ticket for each price level.
5. All winning stubs.
6. All unsold tickets or certificates.
7. All inventory records:
  - LG820 Raffle Log
  - LG821 Physical Inventory
  - LG830 Merchandise Prize Perpetual Inventory.

### **Reporting requirements for tax-exempt raffle**

If a licensed organization conducts a raffle in which the net proceeds are used exclusively to help relieve the effects of poverty, homelessness, or disability for an individual or a family, refer to the Minnesota Lawful Gambling Tax Forms and Instructions booklet for reporting instructions. Or, contact Revenue's Lawful Gambling Tax Unit at 651-297-1772 for assistance.

Tax-exempt raffles are reported on the LG100A in the same manner as all other raffles.

## Raffle Checklist

Use this checklist to ensure that a raffle and tickets or certificates of participation are in compliance.

### Ticket or certificate information

- \_\_\_ 1. The following information is printed on each ticket or certificate:
  - date, time, and location of the raffle;
  - organization's name and license number;
  - price of the ticket or certificate. Each ticket or certificate in a set is sold for the same price;
  - at a minimum, the three most expensive prizes to be awarded. If additional prizes will be awarded that are not contained on the raffle ticket or certificate, the ticket or certificate must contain the statement "*A complete list of additional prizes is available upon request.*"
  - sequential numbers beginning with number 1; and
  - a statement regarding the winner's responsibility for any applicable fees and taxes.
- \_\_\_ 2. When using raffle tickets, each raffle ticket has a detachable section (stub):
  - imprinted with a number corresponding to the sequential ticket number; and
  - has space for the purchaser's name, address, and phone number.

### Prizes

- \_\_\_ 3. An organization must be the sole owner of merchandise prizes before winners of the prizes are determined. Exception: For raffles with gross receipts of \$60 or less (such as a meat raffle), an organization may pay for the prizes up to 30 days after the raffle.
- \_\_\_ 4. A certificate for merchandise is used for a prize that requires registration or licensure by a government agency (example: a car or a gun).
- \_\_\_ 5. The value of each prize does not exceed \$50,000. NOTE: There is no annual limit on the total value of all raffle prizes awarded by a licensed organization.
- \_\_\_ 6. All winners are determined on the date(s) indicated on the ticket or certificate unless a different date has been approved by the director of the Gambling Control Board.
- \_\_\_ 7. Merchandise prizes are tracked on the LG830.

### Conduct

- \_\_\_ 8. Raffles are held at a permitted premises OR at a site for which an organization has obtained an off-site permit from the Gambling Control Board.
- \_\_\_ 9. All entries in the raffle have an equal chance to be selected.
- \_\_\_ 10. To enter the raffle, purchasers are not required to pay for anything other than the ticket or certificate. Exception for fishing/hunting, button, and membership event combination raffles.
- \_\_\_ 11. House rules are posted.
- \_\_\_ 12. Persons are not required to be present at a raffle.
- \_\_\_ 13. The method of selection is conducted in a public forum and cannot be manipulated or based on the outcome of an event not under the control of the organization.
- \_\_\_ 14. Once the first drawing is held no additional raffle tickets or certificates are sold.
- \_\_\_ 15. Raffle tickets or certificates are not sold to persons under 18.

## Raffle Checklist (continued)

### Raffle log

- \_\_\_ 16. An organization maintains a raffle log (LG820) that includes:
- organization name
  - total number of tickets or certificates printed
  - price per ticket or certificate
  - name and phone number of the persons to whom tickets or certificates were given to be sold (seller)
  - quantity and range of sequential number of tickets or certificates given to each seller
  - quantity of tickets or certificates each seller sold
  - quantity of unsold tickets or certificates each seller returned
  - actual gross receipts reported by each seller
  - actual amount of cash, checks, and debit card payments received from each seller
  - cash long or short reported by each seller

### Records

- \_\_\_ 17. An organization must keep the following in a secured area for 3-1/2 years:
- invoice for raffle tickets or certificates of participation
  - copy of ticket or certificate
  - all winning ticket stubs
  - all unsold tickets or certificates
  - all inventory records (LG820, LG821, and LG830)